

**ADMINISTRATION OF INCOME MAINTENANCE (IM) PROGRAMS CONTRACT**  
**by and between**  
**the Department of Workforce Development and**  
**the Department of Health and Family Services**  
**and**  
**«County» County**  
**for Calendar Year 2002**

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**ADMINISTRATION OF INCOME MAINTENANCE (IM) PROGRAMS CONTRACT**  
**by and between**  
**the Department of Workforce Development and**  
**the Department of Health and Family Services**  
**and**  
**«County» County**  
**for Calendar Year 2002**

**THIS CONTRACT** is entered into by and between the Wisconsin Department of Workforce Development and the Department of Health and Family Services ("Department") and ("County") (collectively, the "Parties").

**WHEREAS**, the Department and the County are directed by Wisconsin Statutes section 49.33, to enter into a contract governing the administration of Income Maintenance (IM) Programs (also referred to as Economic Support Programs) under Wisconsin Statutes sections 49.19, and 49.45-49.47; and

**WHEREAS**, the County will perform IM functions for the Food Stamp Program, Medicaid Program, and other IM programs for the entire contract term; and

**NOW, THEREFORE**, in consideration of the mutual responsibilities and agreements hereinafter set forth, the Department and the County agree as follows:

- 1. Definitions.** The following definitions apply to the terms used in this Contract unless the context clearly requires otherwise:

**1.1 Agency Preventable Error.** An error in calculation or issuance of food stamps which the IM Agency could have prevented through the correct application of the Department's Policies and Procedures in effect and disseminated in Administrator's Memos, Operations Memos, or manual releases, to information contained in documents in the case file or through an electronic file including but not limited to CARES, KIDS, data exchanges and interfaces accessible at the time the determination was made.

**1.2 Allowable Costs.** Costs identified as allowable in the Department's Financial Management Manuals.

**1.3 CARES.** The "Client Assistance for Re-employment and Economic Support" system.

**1.4 Contract Addendum.** An addition to the main body of the Contract which is attached after both parties have signed the Contract. An addendum requires the signature of both Parties or designee(s).

**1.5 Contract Appendix.** An addition to the main body of the Contract which is referenced in, and attached prior to the parties signing the Contract. An appendix does not require signatures of either party.

**1.6 Contract Manager.** The contact person for each of the Parties.

**1.7 Contract Supplement.** A signed memorandum from the Department which notifies the County of increases to funding or time extensions in the Contract. A Contract Supplement requires the signature of Department and does not require the signature of the County.

**1.8 Corrective Action.** Action the Department deems necessary to remedy noncompliance with this Contract.

**1.9 Department.** Department means the Wisconsin Department of Workforce Development, except in those sections of the Contract which relate to the Medicaid program, in which case, depending on the context of the provision, Department means either the Wisconsin Department of Workforce Development, or the Wisconsin Department of Health and Family Services, or both departments in relation to their respective program responsibilities.

**1.10 Department's Policies and Procedures.** The policies and procedures listed on the Department's website and updates throughout the Contract Term.

**1.11 Income Maintenance (IM) Agency.** The agency of county or tribal government responsible for administering IM programs.

**1.12 IM Advisory Committee.** A body of local representatives selected under the Department's Policies and Procedures to provide input and advice to the Department on matters relating to IM Programs and the Contract. In addition, the IM Advisory Committee serves as the body that may, at the Committee's discretion, receive, hear, and make recommendations to the Department in disputes in accordance with section 13 of this Contract.

**1.13 IM Cases.** An IM case is defined as a case receiving one or more of the following: Medicaid/BadgerCare, food stamps, Family Care, Caretaker Supplement (C-Supp), Funeral and Cemetery aids. Individuals requesting one or more of the programs listed in this sub-section may also be served under this Contract.

**1.14 IM Programs.** IM Programs is defined as the Food Stamp Program, the Medicaid/BadgerCare Program, the Family Care Program, the Caretaker Supplement Program, and the Funeral and Cemetery Aids Program.

**1.15 Single Statewide Point of Contact.** The Wisconsin County Human Service Association shall serve as the Single Statewide Point of Contact under this Contract.

**1.16 W-2 Agency.** Any Wisconsin Works (W-2) Agency that is under contract to administer W-2 under section 49.143(1) of the Wisconsin Statutes.

**1.17 W-2 Cases.** A W-2 case is defined as a case requesting W-2 and Related Programs including W-2 employment positions, W-2 case management, Job Access Loans, Food Stamp Employment and Training, Child Care eligibility determination, Refugee Cash Assistance and Refugee Medicaid, Children First, Learnfare, and Emergency Assistance. An individual requesting or receiving one or more of the programs covered by the term IM Programs in Section 1.14 but none of the programs or services defined as W-2 and Related Programs under the Department's W-2 Contract is not a W-2 case.

**2. Appointment of Contract Manager.** Each of the Parties shall have a Contract Manager. The Department's Contract Manager is «DWDMgr», «DWDAddress» and the County's Contract Manager is «IMMgr», «IMAddress». In the event either parties' Contract Manager is unable to perform this function the other Party will be contacted with a new Contract Manager name and address.

**3. Contract Term.** The Contract Term is January 1, 2002, through December 31, 2002 ("Contract Term").

**4. IM Agency's Responsibilities.** The IM Agency shall:

**4.1 General Requirements.** Perform the services provided as specified in this Contract in accordance with Wisconsin Statutes and administrative rules, and federal laws, rules and regulations, court orders and the Department's Policies and Procedures for IM Cases defined by this Contract.

**4.2 Customer Satisfaction.** The IM Agency shall periodically obtain feedback from applicants and participants concerning their level of satisfaction with services of the IM Agency to identify barriers to the provision of quality services, and to identify ways to improve service delivery. The IM Agency may use a variety of methods to assess their customer service delivery system.

**4.2.1 Customer Service Plan.** Within thirty (30) calendar days of the effective date of this Contract, the IM Agency must submit to the Department's Contract Manager their Customer Service Plan for assessing customer satisfaction and improving processes and services as a result of customer input. At a minimum, the plan must include the IM Agency's standards for timely response to phone calls, e-mails, and letters; the IM Agency's standards for the treatment of applicants and participants; the IM Agency's standards for problem resolution; how the IM Agency will obtain feedback; how the IM Agency will use the feedback to improve services; and how the IM Agency will share, in writing with the Department's Contract Manager, feedback from applicants and participants and improvements to services and processes.

**4.3 Food Stamp Program.** Perform responsibilities related to the Food Stamp Program and comply with all federal and State laws and rules, and the Department's Policies and Procedures.

**4.3.1 Electronic Benefit Transfer (EBT).** Perform all responsibilities related to operations of EBT under the Food Stamp Program as identified in the WI EBT Guide, DWD-14 Administrative Rule, Administrator's Memos, Operations Memos and manuals.

**4.4 Medicaid.** Perform responsibilities related to Medicaid (previously known as Medical Assistance (MA)) under the direction of the Department of Workforce Development developed in conjunction with the Division of Health Care Financing (DHCF)/Wisconsin Department of Health and Family Services (DHFS); and, comply with all federal and State laws and rules, and DHCF policies and procedures for the Medicaid Program, and the Department's Policies and Procedures.

**4.4.1 BadgerCare.** Perform responsibilities related to BadgerCare as an extension of Medicaid in coordination and collaboration with the W-2 Agency, consistent with the funding for determining eligibility as included in the IM allocation.

**4.4.2 Medicaid Purchase Plan.** Perform responsibilities related to Medicaid Purchase Plan (MAPP) as an extension of Medicaid.

**4.5 Program Administration.** Perform all responsibilities related to other Income Maintenance Program components including but not limited to Public Assistance Fraud except Fraud Investigation, Medical Transportation, Funeral and Cemetery Aids and comply with all federal and State laws and rules and the Department's Policies and Procedures. Perform responsibilities related to other Income Maintenance Program components as identified in this Contract, including but not limited to Fraud Investigation, Refugee Keeping Education Among Youth for Success (KEYS), Refugee Mental Health, Refugee Health Screening and Education Programs, and comply with all federal and State laws and rules and the Department's Policies and Procedures.

**4.6 Quality Assurance Plan.** Develop and administer an approvable Quality Assurance Plan ("QAP") that provides for the prevention, detection and correction of errors related to eligibility and benefit determinations under this Contract. The IM Agency will periodically evaluate the overall effectiveness of the QAP and make modifications on an ongoing basis to, among other things, address issues arising out of IM Agency/State/federal quality assurance case reviews, quality improvement activities and special studies. The QAP must be available to the Department upon request.

**4.6.1 The 2002 QAP.** The QAP covers all programs administered by the IM Agency. The QAP must focus on how the agency is addressing food stamp errors. The QAP shall at a minimum include the following:

**4.6.1.1 Agency Review.** Provide for a systematic method of reviewing a sample of food stamp cases representative of all types of cases handled by the agency. The number of cases selected for review must be sufficient to allow the agency to accurately monitor the quality of its program administration.

**4.6.1.2 Process Review.** Provide for review by appropriate professionals (for example, supervisors or QA staff) of the process followed in providing services and of the correctness of case outcomes.

**4.6.1.3 Data Collection.** Provide for systematic collection of performance data.

**4.6.1.4 Data Interpretation.** Provide for interpretation of data to all appropriate agency staff.

**4.6.1.5 Needed Changes.** Provide for making needed changes to improve the quality of services, including timely corrective action on specific cases and ensuring staff are held accountable for performance standards.

**4.6.1.6 Agency Contact Point.** Include the name, phone number and FAX number of the person in the IM Agency who will be the state contact point for matters related to quality assurance.

**4.7 Cost Allocation Plan.** Develop, maintain and provide upon request a Cost Allocation Plan which complies with the Department's Policies and Procedures. The Department will maintain the on-

line Local Personal Master File (LPMF), or a replacement system. LPMF determines Full Time Equivalent employees (FTE's) by program, by agency. This FTE ratio is available to each County immediately upon submission of base FTE data. The current month's FTE ratios are available for County use to distribute the current month's agency management, support, and overhead (AMSO) costs for programs administered by the Department.

**4.8 Reporting.** Submit reports specified by the Department as necessary to comply with federal and State requirements.

**4.9 Information Technology.**

**4.9.1 Security.** Provide for information technology security in accordance with the Department's Policies and Procedures.

**4.9.2 Internet Access.** Internet connectivity is required for all case workers, the County's CARES coordinator and the County's policy coordinator.

**4.10 Cooperation.** Cooperate with the Department, W-2 Agency, any other IM Agency and the contractors of any IM or W-2 Agency in the administration of IM Programs.

**5. Procurement and Subcontracting.**

**5.1 Applicable Law.** The IM Agency agrees to conduct all procurement transactions in a manner consistent with all applicable federal and State requirements.

**5.2 Equipment.** The IM Agency agrees to comply with the Department's Policies and Procedures regarding equipment procured under this Contract including inventories, minimum operating standards, installation, ownership, depreciation, moves, repair and maintenance. The Department may permit a waiver of depreciation of equipment on a case-by-case basis when allowed by federal and State law for purchases made with funds provided under this Contract.

**5.3 Agency Responsible.** The IM Agency remains responsible for performance of any service under this Contract that is subcontracted.

**5.4 Subcontracting.** The IM Agency may subcontract for some or all of the services covered by this Contract except for eligibility determination, which must be performed by the IM Agency. Subcontracts must adhere to Wis. Stats. s. 46.036 and the Department's Policies and Procedures.

**5.5 Instructions and Monitoring.** The IM Agency shall establish instructions and monitoring procedures to ensure each subcontractor complies with this Contract, applicable State and federal laws, rules and regulations and the Department's Policies and Procedures.

**5.6 Related Parties.** Prior to signing a subcontract with a "related party" as defined in the Department's Financial Management Manual, and regardless of the subcontract approval procedure used, the IM Agency shall notify the Department's Contract Manager of any such proposed subcontract.

**6. Policy Change.** From time to time, in its sole discretion, the Department may modify the Department's Policies and Procedures. If the Department proposes a modification to the Department's Policies and Procedures that is not required by State or federal law, rules or regulations or court order or settlement agreement, the IM Agency, using the Single Statewide Point of Contact, will have thirty (30) calendar days to comment on the fiscal impact to the IM Agency of such a change. The Single Statewide Point of Contact may request an extension of the comment period of up to fifteen (15) days. The Department shall consider such comments prior to the implementation of the proposed modification to the Department's Policies and Procedures. The Department agrees to not unilaterally impose on the IM Agency any fiscally adverse new and previously unbudgeted requirements which are not mandated by State or federal law, rules or regulations or court order or settlement agreement.

**7. Funding Change.** The IM Agency agrees that the obligations of the Department under this Contract are limited by and contingent upon legislative authorization and budget appropriations. If, during the Contract Term, the appropriations which fund performance under this Contract are not made or are repealed or reduced by actions of the Legislature or otherwise, then the Department shall notify the IM Agency which services shall be performed by the IM Agency. If the IM Agency makes a determination that additional changes in required services are necessary because of the lack of funds, the IM Agency may, within thirty (30) calendar days, present a proposed plan to the Department for



modifications in required services, and the Department will respond within thirty (30) calendar days to such a proposed plan in making its final decision on the services to be performed.

## **8. Payment.**

**8.1 Advance Payments.** After executing this Contract but no sooner than January 5 and up to two months thereafter, the Department shall make payments on the fifth day of each of those months in an amount based on one-twelfth of the total or one month's estimated operating expenses to the County, except for direct reimbursement programs as outlined in the DWD Community Aids Reporting System (CARS) Accounting Reports Manual or other system as designated by the Department. Each month thereafter, the Department shall make a payment to the County for expenditures reported on the financial forms required by the Department.

**8.1.1 Recovery of Advance Payments.** The Department will collect advance payments in accordance with the Department's Policies and Procedures.

**8.2 Reimbursement Claim.** The IM Agency's reimbursement claim will be filed on or before the last business day of the month following the month for which reimbursement is claimed. The reimbursement claim will be processed in the month following submission and paid by the fifth day of the month following processing, subject to reduction, recovery and reimbursement as provided in this Contract.

**8.3 Expense Reporting.** The Department will not reimburse expenses incurred within the Contract Term, but reported more than ninety (90) calendar days after the end of the Contract Term. The Department shall make final payment by August 5, 2003.

**8.4 Submitted Expenses.** Expenses submitted under this Contract shall be consistent with the IM Agency's approved Cost Allocation Plan.

**8.5 Federal Matching Funds.** The Department will make a concerted effort to obtain County Share/Federal Match (earned) for IM Programs and will pass through to the County any federal funds earned above the County's IM Administrative Allocation.

## **8.6 Payment Adjustments.**

**8.6.1 Payment Adjustments During 2002.** The Department may reduce, withhold, or recover payments to the County if the IM Agency fails to satisfactorily perform its responsibilities under this Contract, or if the Department determines that the Department has reimbursed the IM Agency erroneously, or with respect to liquidated damages under section 15 of this Contract. The Department may assert a claim for recovery from the IM Agency at any time the Department is subject to recovery by the federal government. The Parties shall negotiate the timing and payment schedule of any adjustments.

**8.6.2 Payment Adjustments for 2001 Accounts Receivable (Payments Made to the Agency When the Contract Was Not Fully Expended).** The Department may decrease or delay the payment when the County does not refund monies that the Department paid to the County pursuant to the 2001 Contract between the Department and the County and that the County has not spent or encumbered by December 31, 2001, unless otherwise notified.

**8.6.3 Payment Adjustments for 2002.** By March 30, 2003, the County will inform the Department that it will refund to the Department by April 30, 2003, any funds received pursuant to this Contract that are unspent or unencumbered prior to January 1, 2003. If the County does not provide a refund check, the Department will adjust funds as part of the contract year reconciliation process.

**8.6.4 Advance Notice.** The Department shall provide thirty (30) days notice to the County when a decrease or delay in payment will be made as a result of actions taken under paragraphs 8.6.1, 8.6.2, 8.6.3 or 14.1 under this Contract. The Department will schedule a conference to resolve the issue which gave rise to notice before the imposition of the decrease or delay. The County may pursue its right to appeal the Department's decision as provided by Article 13 of this Contract after the imposition of the decrease or delay or if Parties agree there is an impasse.

**8.7 Audit Adjustment Determination.** If the Department determines, pursuant to an audit under Section 11, that there is an error in the County's fiscal and service records for this Contract or previous contracts an adjustment will be made. The Department shall limit the increase or decrease to the audited error and shall confer with the County before increasing or decreasing the monthly payment for this Contract. The parties may negotiate the timing and amount of the adjustment at the County's request.

**8.8 Allocation Adjustment.** It is the intent of the Department and the IM agencies to work together to assure that all funds available for the administration of the IM Programs are used effectively and timely. The Department and IM agencies through the IM Advisory Committee updated the allocation method used by the Department to establish individual agency allocations. The updated methodology is implemented for the first time for Calendar Year 2002. The Department and IM agencies through the IM Advisory Committee will jointly design a process for Calendar Year 2002 to periodically evaluate expenditure levels of IM agencies and recommend adjustments to be made before the end of Calendar Year 2002. The process will include a review after six (6) months of expenditures are processed, notice to IM agencies of potential deobligations based on projections made by the Department, and the opportunity for IM agencies to document extraordinary circumstances for the Department to consider in modifying the potential deobligation. Following the Department's analysis of the documentation submitted by the IM agencies, if any, the Department may request, and if the IM agency agrees, the Department may deobligate a portion of an IM Agency's unspent funds. The Department shall reallocate any deobligated funds to other IM agencies that have fully spent their IM allocation for Calendar Year 2002. The notice under section 8.6.4 does not apply to any adjustment under this section. This adjustment will not affect the CY 2003 allocation.

**8.9 Enhanced Federal Funding.** The Department and the IM agencies through the IM Advisory Committee shall jointly develop options for the Department's consideration concerning the use of enhanced federal funding for the Food Stamp program in the event the Department qualifies for and receives such enhanced federal funding.

## **9. Records, Reporting, Monitoring and Security.**

**9.1 Records Maintenance.** The IM Agency shall comply with the records, reporting and monitoring requirements of the Department's Policies and Procedures. The IM Agency shall maintain such records, reports, evaluations, financial statements and necessary evidence of accounting procedures and practices to document the funding received and disbursements made under this Contract. The IM Agency shall provide information in a form and manner prescribed by the Department, using the CARES system and other systems designated by the Department.

**9.2 Records Availability.** Upon request, the IM Agency shall make records available to the Department for inspection. Upon ten (10) business days notice from the Department, the IM Agency further agrees to transfer to the Department any original or copy of records that the Department requests during or after the Contract Term. The IM Agency shall use the schedules for record retention in accordance with the Department's Policies and Procedures and State and federal law.

**9.3 Open Records Law Applicable.** The IM Agency acknowledges the applicability of the Wisconsin Open Records Law, Wisconsin Statutes sections 19.31-19.39.

**9.4 Confidentiality of Records.** The IM Agency agrees to comply with the applicable federal and State laws, rules and regulations concerning confidentiality of records as specified in the Department's Policies and Procedures.

**10. On-Site Visits.** The Department may conduct such on-site visits as the Department deems necessary to determine the IM Agency's compliance with this Contract.

**11. Annual Audit.** The IM Agency agrees to provide an annual audit in compliance with all relevant provisions of the Department's Financial Management Manual, Provider Agency Audit Guide and State Single Audit Guidelines.

#### **11.1 Single Audit Requirement.**

**11.1.1 Hiring an Independent Auditor.** The County shall hire an independent auditor to conduct a Single Audit pursuant to OMB Circular No. A-133 (Revised August 1998), Department of Administration Audit Guide and audit guidelines established and provided by the Department. The Audit shall be completed and a report submitted to the County no later than nine months following the close of the Contract Period. The County shall incorporate by reference in the engagement letter (contract with the independent auditor), OMB Circular No. A-133 any federal and state audit guidelines, and this Contract.

**11.1.2 Technical Assistance.** The Department agrees to provide technical assistance to the County that may include providing the independent auditor with financial information from Department records, work papers, and draft audit report review and attendance at conferences.

**11.1.3 Submitting the Single Audit Report.** The County agrees to provide to the Department one copy of the resultant audit report including the management letter, responses, and any supporting documentation required by the Department within thirty (30) calendar days after receipt of the auditor's report by the County, or no longer than nine (9) months following the close of the Contract Period, whichever is less. The County shall submit one copy of the certified annual audit to the Audit Coordinator, Department of Workforce Development, 201 East Washington Avenue, P.O. Box 7935, Madison, Wisconsin 53707-7935. The audit report shall be made up of at least the following, based on OMB Circular No. A-133: (a) the auditor's report on financial statements; (b) a schedule of federal and state assistance; (c) the financial statement; and (d) a schedule of federal and state grants by program including: program disbursements; program revenues; net variances to be resolved; the auditor's report on the study and evaluation of internal control systems; the auditor's report on compliance including the specific identification of questioned costs, audited adjustments, audit exceptions and the Management Letter.

**11.1.4 Notification of Receipt of the Single Audit Report.** The Department shall notify the County within ninety (90) calendar days of receipt of the Single Audit completed by the independent auditor, whether or not the audit meets the requirements of the Department's audit guidelines. If the Department does not notify the County within ninety (90) calendar days, the audit is automatically considered to meet the Department's audit guidelines. The Department will initiate resolution of audit findings with the County within sixty (60) days following notification of the audit's acceptance. With the exception of Federal audits, if the audit is complete and accepted by the Department, the Department may not perform any additional audits and audit exceptions may not be taken other than those taken on the basis of the findings in the accepted audit. Any additional examinations shall build upon the work already done. There will be no charge for the Department initiated examinations.

#### **11.2 Department Reviews.**

**11.2.1 Financial and Compliance Review.** In the event that the Department determines that a financial and compliance review is necessary and the Department conducts a financial and compliance review, it will include the examination of financial records maintained by the County. Reviews may be conducted in situations including but not limited to evidence of or cause to believe inaccurate reporting, identification by state or federal agencies of claim disallowances. The review shall be conducted in accordance with Department procedures. This review will not meet the requirements of the Single Audit Act for the County.

**11.2.2 Review Scheduling.** The Department shall schedule a mutually agreed upon entrance date with the County with at least a ten (10) calendar day advance notice.

**11.2.3 Review Report.** The Department agrees to provide the County with a copy of the resultant report, management letter, and supporting documentation upon completion of the financial and compliance review.

**11.2.4 Draft Review Report.** The Department agrees to complete all draft review reports of the County within twenty-five (25) months of the expiration date of the Contract Period to be reviewed. The time limit for submitting a draft review report to the County may be extended in unusual circumstances.

**11.2.5 Multi-County Agencies.** If a multi-county agency has been audited and the audit meets the guidelines of the Department, the Department shall accept the multi-county agency audit in any review of a constituent county or counties of the multi-county agency.

**11.2.6 Independent Financial and Compliance Review.** The Department reserves the right to conduct an independent financial and compliance review of the IM Agency if the County fails to secure a Single Audit covering all Department funds. In the event that the County fails to secure a Single Audit, Department costs for completing a financial and compliance review will be charged back to the County.

**11.2.7 Additional Review Resulting from the Loss of Federal Funds.** The Department may conduct an additional review if a County action not identified in the Single Audit results in the loss of federal funds. This additional Department review will determine if an audit exception is appropriate.

### **11.3 Audit Disallowance.**

**11.3.1 County Liability.** The County shall be liable for the entire amount of the audit adjustment attributed to the County. The actual amount of a disallowance against the County shall be determined through the Department's Policies and Procedures.

**11.3.2 Fiscal Sanction.** No fiscal sanction under this section shall be taken against the County unless it is based upon a specific policy which is: (a) effective during the time period which is being audited, and (b) communicated to the County department head or designee in writing by the Department or the federal government prior to the time period audited. No state audit adjustment shall be imposed for sixty (60) calendar days after the date the County receives written notice of the requirement. The sixty (60) calendar day hold-harmless period is not required if (a) the State has been assessed a federal fiscal penalty because federal law and regulations or court order mandated the requirement and held the State to a more restrictive time period, or (b) the requirement is the result of state law and administrative or court order that imposes a more restrictive time period and the imposition of a state fiscal penalty. These conditions in no way negate the County's responsibility to implement policies by their effective dates.

## **12. Corrective Action.**

**12.1 Opportunity.** Except under section 15 of this Contract, the IM Agency may submit a Corrective Action plan to address noncompliance with the provisions of this Contract.

**12.2 Requirement to Submit.** Within five (5) business days of receipt by the IM Agency of notice of failure to perform any provision of this Contract, the IM Agency shall submit to the Department for approval a Corrective Action plan to address the deficiency.

**12.3 Failure to Submit or Implement.** A failure by the IM Agency to submit an approvable Corrective Action plan or a failure by the IM Agency to implement a Corrective Action plan within ten (10) business days of approval of the Corrective Action plan by the Department shall constitute uncorrected nonperformance and result in a payment adjustment under section 8.6 of this Contract. A Corrective Action plan is considered approvable if it is determined by the Department that the plan was submitted timely and meets all of the requirements identified by the Department in the Department's notice under section 12.2 of this Contract.

**13. Disputes.** The County's sole and exclusive method of resolving any dispute or controversy arising out of or relating to this Contract shall be the complaint process provided in this section. The County may address a written complaint to the Chief Legal Counsel of the Department at the following address: Department of Workforce Development Chief Legal Counsel, P.O. Box 7946, Madison, Wisconsin 53707-7946. At the same time the complaint is filed with the Department's Chief Legal Counsel, the complaint also may be filed with the IM Advisory Committee (with notice to the Chief Legal Counsel) for the Committee's consideration. The IM Advisory Committee may consider the complaint no later than at its next regularly scheduled monthly meeting. If the complaint is not filed with the IM Advisory Committee, the Chief Legal Counsel shall respond in writing within fifteen (15) business days or as soon as possible to resolve the complaint. If the complaint is filed with the Committee, the Chief Legal Counsel shall respond within fifteen (15) business days of receipt of the IM Advisory Committee's recommendation or as soon as possible to resolve the complaint. If the Chief Legal Counsel is unable to respond to the complaint within fifteen (15) business days, the Chief Legal Counsel shall notify the Agency within the fifteen (15) days of the date by which a response can be expected. If either the County or the Department's Contract Manager is not satisfied with the response, either the County or the Department's Contract Manager may request a review of the response by the Wisconsin Division of Hearings and Appeals. The decision of the Division of Hearings and Appeals shall be sent to the Department's Secretary. The Secretary or designee shall respond to the complainant in writing within ten (10) business days of receipt of the Division of Hearings and Appeals decision.

#### **14. Agency Preventable Errors.**

**14.1 Accountability.** The IM Agency will be held accountable for errors for food stamp cases which the IM Agency could have prevented by complying with the Department's Policies and Procedures and taking appropriate action on the case. A preventable agency error penalty may be assessed for each inaccurately issued benefit which could have been prevented by the IM Agency. The penalty will be equal to the total of the difference between the correct case benefit as determined by the Department and actual benefits approved by the IM Agency, multiplied by 76. The multiplier adjusts each year and is based upon the proportion of the dollar value of the Agency Preventable Errors to the total dollar value of errors. A rolling average will be used. The total of assessed agency preventable error penalties will be calculated each federal fiscal year (October through September) beginning October 1997. For each federal fiscal year Wisconsin exceeds the national Food Stamp Program error tolerance level, the Agency will receive notice under section 8.6.4 no later than sixty (60) calendar days following receipt by the Department of the official notification from the federal government that Wisconsin has exceeded the national error tolerance level, of the total assessed agency preventable error penalties for that federal fiscal year that will be withheld from the IM Agency's reimbursement payment. It is the Department's intention not to assess the County any penalty for preventable agency error in any year in which there is no federal sanction assessed against the Department. This section shall apply only to the IM Agency in a County which has a valid sample rate and which exceeds the federal error rate. For the purpose of applying a federal sanction a valid sample means thirty (30) or more cases pulled for the Federal Quality Control (QC) sample.

**14.2 Joint Error Reduction.** The Department agrees to work with counties using a jointly appointed technical work group comprised of equal numbers of state and county staff to jointly develop strategies to effectively address reducing Wisconsin's food stamp error rate. The technical work group will report progress monthly to the Income Maintenance Advisory Committee. The technical work group will propose balanced strategies that specify actions at both the state and local levels needed to reduce the most costly errors. Options to be considered shall include, but not be limited to additional training at a level of detail and specificity local agencies deem necessary, policy revisions to simplify the food stamp program, streamlined and current policy communication procedures, best local practices identified by agencies with low error rates, CARES programming to assure accuracy and promote effective use by line staff, and local reinvestment options for counties to offset penalty amounts.

**15. Liquidated Damages for Uncorrected Quality Assurance Errors.** In addition to the requirements of section 4.6 of this Contract, the Department may conduct a quality assurance review of any of the activities under this Contract to assure that eligibility and benefits are accurately determined. When the Department identifies an error, the IM Agency will have thirty (30) calendar days from receipt of notification from the Department of the error to take required Corrective Action. When an error is not corrected within thirty (30) calendar days, the Parties agree that damages would be difficult to calculate. Accordingly, upon

a finding of an uncorrected error, liquidated damages will be assessed in the amount of Two Hundred Fifty Dollars (\$250) per uncorrected error. These damages shall be collected under section 8.6 of this Contract.

## **16. General Provisions.**

**16.1 Contract Amendment.** This Contract may be amended at any time with the mutual consent of the Parties through Contract Addendum or with the signature of the Department through Contract Supplement.

**16.2 Inability to Perform.** The IM Agency shall immediately notify the Department whenever the IM Agency is unable to provide the required services specified under this Contract. Upon such notification, the Department shall determine necessary action.

**16.3 Severability.** If any provision of this Contract is found to be illegal, unenforceable, or void, then the remainder of this Contract shall remain in effect.

**16.4 Non-Assignability.** Except as provided in section 5.4 of this Contract, the IM Agency may not assign this Contract or any portion of the services to be provided under this Contract to another person or party without the prior written consent of the Department.

**16.5 Waiver.** No right under this Contract shall be deemed waived unless either Party, by certified mail, sends to the other Party written notice of waiver of that Party's right. No provision of this Contract shall be deemed waived by reason of either Party failing to enforce the provision on one or more occasions.

**16.6 No Employment Relationship.** It is understood, intended and agreed that this Contract shall not be construed to create an employer/employee relationship between the Department and the IM Agency.

**16.7 Hiring of State Employees.** The IM Agency will not engage the services of any person now employed by the State to provide services under this Contract without the prior written permission of the Department.

**16.8 Civil Rights Compliance Plan.** The IM Agency shall submit its Civil Rights Compliance Plan ("CRC Plan") within thirty (30) calendar days of the County signing this Contract.

**16.9 Non-Discrimination Policy.** In connection with the performance of work under this Contract, the County agrees not to discriminate against any employee or applicant for employment because of national origin, age, race, religion, color, disability or association with a person with a disability, sex, arrest or conviction record, sexual orientation, marital status, political affiliation, military participation or use or non-use of lawful products off the employer's premises during non-work hours. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The County agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the Division's Equal Opportunity Officer setting forth the provisions of this non-discrimination policy.

**16.10 Equal Opportunity in Service Delivery and Employment.** The Agency agrees that the Agency, its Agency Service Providers and their subcontractors will comply with guidelines in the Civil Rights Compliance (CRC) Standards and Resource Manual for Equal Opportunity in Service Delivery and Employment (1999 Edition or its replacement).

**16.10.1 Compliance of Subcontractors.** Requirements herein stated apply to any subcontracts. The Agency has primary responsibility to take constructive steps, as per the CRC Standards and Resource Manual to ensure compliance of subcontractors. As part of this responsibility, the Agency will require its subcontractors to develop and submit for approval a Civil Rights Compliance Plan. Where the Department has a direct Contract with a community agency or vendor, the Agency need not obtain a Subcontractor Civil Rights Compliance Action Plan or monitor that agency or vendor.

**16.10.2 Monitoring the Agency's Compliance.** The Department will monitor the Civil Rights Compliance of the Agency and will review that the Agency is ensuring compliance of its subcontractors in compliance with guidelines in the CRC Standards and Resource Manual. The Agency agrees to comply with Civil Rights monitoring reviews, including the examination of records and relevant files maintained by the Agency, as well as interviews with staff, clients, applicants for services, subcontractors and referral agencies. The reviews will be conducted according to Department procedures, through a Department determined monitoring schedule and/or to address immediate concerns of complainants.

**16.10.3 Agency Cooperation.** The Agency agrees to cooperate with the Department in developing, implementing and monitoring corrective action plans that result from complaint investigations or other monitoring efforts.

**16.11 Debarment Certification.** The County certifies that neither the IM Agency nor any of its principals are debarred, suspended, or proposed for debarment from federal financial assistance (e.g., General Services Administration's List of Parties Excluded from Federal Procurement and Non-Standard Programs). The IM Agency will obtain certifications from subcontractors stating that neither the subcontractors nor potential sub-recipients, contractors, or any of their principals are debarred, suspended or proposed for debarment. (See Appendix B to be signed and returned with this Contract.)

**16.12 Lobbying Certification.** The County must sign and return with this Contract, the Certification regarding Lobbying (see Appendix C) or the Disclosure of Lobbying Activities (see Appendix D).

**16.13 Indemnification.** The County agrees to indemnify and hold harmless the State and all of its officers, agents and employees from all suits, actions or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the negligence, misconduct, or breach of confidentiality by the IM Agency, or any of its agents, employees or subcontractors, in performing the terms and conditions of this Contract. The County agrees to indemnify and hold harmless the State and all of its officers, agents and employees from all suits, actions or claims of any character brought for or on account of any obligations arising out of agreements or contracts between the IM Agency and any of its subcontractors or vendors to perform services or otherwise supply products or services. The Department acknowledges that the State may be required by section 895.46(1) of the Wisconsin Statutes, to pay the costs of judgments against its

officers, agents or employees, and that an officer, agent or employee of the State may incur liability due to negligence or misconduct. In the event of a lawsuit challenging the validity of the State's IM Program policies and procedures, the Department will defend such lawsuit.

**16.14 Pro-Children Act.** Since a portion of the funds under this Contract includes federal funds, the Agency agrees to comply with Public Law 103-227, also known as the Pro-Children Act of 1994. The law requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.

**16.15 Notice.** Any notice or demand relating to termination, breach, noncompliance, or failure to serve, that either Party desires to give the other Party shall be in writing and either delivered personally or by certified mail, return receipt requested, addressed to the Contract Manager at the address in section 2 of this Contract.

Notice for any other purpose may be sent by regular mail or by courier service. Either Party may change its address by notifying the other Party in writing of the change. Any notice or demand delivered by mail shall be deemed delivered two (2) business days after mailing as provided above.

**16.16 Performance Surviving the Contract Term.** The obligations of the Parties under sections 4.8 (Reporting), 8 (Payment), 9 (Records, Reporting, Monitoring and Security), 11 (Single Audit Requirement), 13 (Disputes), 14 (Agency Preventable Errors), 15 (Liquidated Damages for Uncorrected Quality Assurance Errors), 16.3 (Severability), 16.5 (Waiver), 16.13 (Indemnification), and 16.15 (Notice) of this Contract shall survive the Contract Term.

**16.17 Provisions of Services and Programs.**

**16.17.1 Funding Limitations.** Except as provided in state and federal statutes, the County shall perform the functions and provide the services within the limits of State and County appropriations and county appropriations used to match State and federal funds.

**16.17.2 County Funding.** Nothing in this Contract shall be construed to require the expenditure of County funds, except as specifically provided herein and authorized by the County Board.

**16.17.3 Lawful Power and Duties.** Nothing contained in this Contract shall be construed to supersede the lawful power or duties of either party. The Parties agree that the County shall carry out its responsibilities under the sections of this Contract through its appropriate County departments.

**16.18 Captions.** The captions in this Contract are intended for reference only and in no way define, limit or describe the scope or intent of any provisions of this Contract.

**16.19 DHFS Role and Responsibilities in Relation to Medicaid.** The Wisconsin Department of Health and Family Services is a signatory party to this contract in accordance with its responsibility for the supervision of the state Medicaid program under Wisconsin Statutes sec. 49.45.

**16.20 Entire Agreement.** It is understood and agreed that the entire Contract between the Department and the County for the administration of IM is set forth in this Contract. The following appendixes are incorporated by reference herein and are a part of this Contract:

Appendix A	IM Agency's Financial Schedule
Appendix B	Certification Regarding Debarment and Suspension
Appendix C	Certification Regarding Lobbying
Appendix D	Disclosure of Lobbying Activities
Appendix E	Program Administration
Appendix F	Public Assistance Fraud Program - Program Integrity
Appendix G	Public Assistance Fraud Program - Investigation
Appendix H	Regional Training
Appendix I	Keeping Education Among Youth for Success (KEYS) - Marathon County
Appendix J	Refugee Mental Health - Brown and Manitowoc Counties
Appendix K	Refugee Health Screening and Education Program - Sheboygan County
Appendix L	Milwaukee Program Operation – Milwaukee County

Appendixes G, H, I, J, K, and L apply only to some IM Agencies. Appendix A lists funding for all Appendixes that apply to this Contract.



County: «County»

**IN WITNESS WHEREOF**, the Department and the County have executed this Contract on the dates set forth below.

\_\_\_\_\_  
County Executive, Board Chairperson, or Designee  
Authorization Attached if designee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Eric Baker, Administrator  
Division of Workforce Solutions  
Department of Workforce Development

\_\_\_\_\_  
Date

\_\_\_\_\_  
Peggy L. Handrich, Administrator  
Division of Health Care Financing  
Department of Health and Family Services

\_\_\_\_\_  
Date